



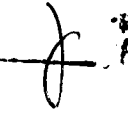
Senate
Office of the Secretary

'16 JUL 19 P5:26

SEVENTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

SENATE

S. No. 601

RECEIVED BY: 

Introduced by Senator Antonio "Sonny" F. Trillanes IV

AN ACT
PROVIDING FOR TAX EXEMPTIONS AND SUBSIDIES FOR THE LOCAL MUSIC
INDUSTRY, AMENDING FOR THIS PURPOSE CERTAIN SECTIONS OF THE
LOCAL GOVERNMENT CODE OF 1991

EXPLANATORY NOTE

Still in an indeterminate state, the Filipino music industry agonize with piracy levels reaching as high as 83 percent based on Philippine Association of the Record Industry (PARI). Given the failing record industry, artists relying on live performances to make a living is just as challenging as being confronted with the threat of foreign production and high production cost. It is also worthy to note that producers and artists are further burdened by multiple taxes, from Value Added-Tax (VAT) paid for services and materials and amusement tax paid to the local government¹. Just as important is the fact that the International Intellectual Property Alliance also ranked music piracy in the country, the fifth strongest in the world and the second largest in Asia².

In light of encouraging and promoting the creation of original Filipino music and providing support to make the industry internationally-competitive, this bill ensures that the music industry provides cultural opportunists to all Filipinos. Under this bill, the holding of operas, concerts, dramas, recitals, painting and art exhibitions, flower shows, musical programs, literary and oratorical presentations, including pop rock, or similar concerts as long as they feature mainly Filipino artists and Filipino compositions shall be exempt from the payment of amusement tax.

Furthermore, the proceeds from amusement tax from concerts and other music related presentation may be earmarked for subsidizing workshops of local theater musicals and/or training and workshops for local artists and composers. The remaining proceeds shall be shared equally by the province and the municipality where such amusement places are located.


In view of the foregoing, immediately passage of this bill is earnestly sought.


ANTONIO "SONNY" F. TRILLANES IV
Senator



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*Be it enacted by the Senate and the House of Representatives of the Philippines in
Congress assembled:*

1 **SECTION 1. Short Title.** - This Act shall be known as the "*Local Music Industry*
2 *Incentives Act*".
3

4 **SEC. 2. Declaration of Policy.** - The State, in its belief that culture is a human right
5 and a manifestation of the freedom of belief and expression, shall promote and protect the
6 Filipino national culture which includes the local music industry. First and foremost, it shall
7 encourage and promote the creation of original Filipino music and provide support to make
8 the industry internationally competitive. It shall ensure that the music industry provides
9 cultural opportunities to all Filipinos.
10

11 **SEC. 3.** Section 140 of Republic Act No. 7160, otherwise known as the "Local
12 Government Code of 1991", as amended by Republic Act No. 9640, is hereby further
13 amended to read as follows:
14

15 "SEC. 140. Amusement Tax. - (a) The province may levy an amusement tax to
16 be collected from the proprietors, lessees, or operators of theaters, cinemas, concert
17 halls, circuses, boxing stadia, and other places of amusement at a rate of not more
18 than ten percent (10%) of the gross receipts from admission fees.
19

20 "xxx

21 "(c) The holding of operas, concerts, dramas, recitals, painting and art
22 exhibitions, flower shows, musical programs, literary and oratorical presentations,
23 [except] INCLUDING pop, rock, or similar concerts AS LONG AS THEY
24 FEATURE MAINLY FILIPINO ARTISTS AND FILIPINO COMPOSITIONS shall
25 be exempt from the payment of the tax herein imposed.
26

27 "xxx

28 "(e) THE PROCEEDS FROM THE AMUSEMENT TAX FROM
29 CONCERTS AND OTHER MUSIC RELATED PRESENTATION MAY BE
30 EARMARKED FOR SUBSIDIZING WORKSHOPS OF LOCAL THEATER
 MUSICALS AND/OR TRAINING AND WORKSHOPS FOR LOCAL ARTISTS
 AND COMPOSERS. The REMAINING proceeds [from the amusement tax] shall be

1 shared equally by the province and the municipality where such amusement places are
2 located."

3
4 **SEC. 4.** The Department of the Interior and Local Government, the National
5 Commission for Culture and the Arts, different music industry guilds and organizations, as
6 well as producers and other stakeholders shall, within sixty (60) days from the effectivity of
7 this Act, promulgate the necessary rules and regulations for the effective implementation of
8 this Act.

9
10 **SEC. 5.** All laws, decrees, executive orders, rules and regulations or parts thereof
11 which are contrary to or inconsistent with this Act are hereby repealed, amended or otherwise
12 modified accordingly.

13
14 **SEC. 6.** This Act shall take effect fifteen (15) days after its publication in the Official
15 Gazette or in at least two (2) newspapers of general circulation.

Approved,